



Agenda Date: 1/12/05
Agenda Item: IIIB

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF CABLEVISION)
OF PATERSON, LLC FOR RENEWAL OF A)
CERTIFICATE OF APPROVAL TO CONTINUE TO)
OPERATE AND MAINTAIN A CABLE TELEVISION)
SYSTEM IN THE CITY OF PATERSON, COUNTY OF)
PASSAIC, STATE OF NEW JERSEY)

RENEWAL
CERTIFICATE OF APPROVAL

DOCKET NO. CE04101136

SERVICE LIST ATTACHED

BY THE BOARD:

On May 16, 1986, the Board granted Paterson Cable TV Joint Venture d/b/a US Cable of Paterson ("US Cable") a Certificate of Approval in Docket No. CE86030323 for the construction, operation and maintenance of a cable television system in the City of Paterson ("City"). On January 8, 1997, the Board approved the transfer of the Certificate from US Cable to TCI Cable American Holdings, L.P. ("TCI American") in Docket No. CM96080600. On December 17, 1997, the Board approved the transfer of the Certificate from TCI American to CSC Paterson, Inc. in Docket No. CF97090674. On January 3, 2002, in Docket No. CO00030182, the Board approved an internal reorganization, which, in part, approved the conversion of CSC Paterson, Inc. to a limited liability company, Cablevision of Paterson, LLC ("Petitioner"). Although by its terms the Petitioner's above referenced Certificate expired on May 16, 2001, the Petitioner is authorized to continue to provide cable television service to the City pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

The Petitioner filed an application for the renewal of its municipal consent with the City on August 23, 2000, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13. The City, after public hearing, adopted a municipal ordinance granting renewal consent to the Petitioner on June 30, 2004. On August 24, 2004, the Petitioner formally accepted the terms and conditions of the ordinance, in accordance with N.J.S.A. 48:5A-24.

On October 20, 2004, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate of Approval for the City. The Board has reviewed the application for municipal consent, the petition for a Renewal Certificate of Approval, and the municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board **HEREBY FINDS** the following:

1. The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Renewal Certificate of Approval. Further, the City reviewed these qualifications in conjunction with the municipal consent process.
2. The design and technical specifications of the system shall ensure that the Petitioner provides safe, adequate and proper service.
3. The Petitioner has represented that all previously required construction within the franchise territory is complete.
4. The franchise period as stated in the ordinance is 15 years from the date of issuance of this Certificate. The Board finds this period to be of reasonable duration.
5. The Petitioner's rates shall be regulated and tariffs shall be filed for all services, in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. The Petitioner shall maintain informational tariffs for unregulated service rates and promptly file any revisions thereto.
6. Pursuant to statutory requirements, the ordinance specifies a complaint officer. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with the applicable rules.
7. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. The current local office is located at 100 Hamilton Plaza in the City of Paterson, New Jersey.
8. The franchise fee to be paid to the City is specified to be 2% of the Petitioner's gross revenues from all recurring charges in the nature of subscription fees paid by subscribers for its cable television reception service in the City. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.
9. The Petitioner shall provide service along any public right-of-way to any person's residence located in all areas of the franchise territory at tariffed rates for standard and non-standard installation. Commercial establishments shall be constructed in accordance with the commercial line extension policy attached to this Certificate as Appendix "I."

10. The Petitioner shall provide public, educational and governmental access channels and facilities in accordance with its renewal application and the ordinance. Specifically, the Petitioner shall provide one public access channel, one educational access channel and one governmental access channel, which channels shall be used exclusively for non-commercial programming. The governmental and educational access channels shall be under the exclusive control of the City. The Petitioner shall administer the public access channel and may establish reasonable rules governing access to and use of the public access studio.
11. The Petitioner shall continue to provide one access return feed at each of the following locations to provide for upstream transmission of non-commercial programming from these facilities to the Petitioner's customers using the cable system: a) City Hall, b) John F. Kennedy High School, and c) the public access studio located at 100 Hamilton Plaza or such future site as designated by the City.
12. Upon written request of the City, the Petitioner shall provide to the City a one time capital contribution in the amount of \$150,000.00 for the purchase of new equipment for the production and promotion of non-commercial public access programming in the City. The Petitioner shall not be responsible for making this payment until the City has decided and designated a new site for the public access studio, secured the site and readied the building for occupancy. Upon receipt of a written request of the City and sufficient proof that the conditions for payment have been met, the Petitioner shall provide the grant within 90 days.
13. The Petitioner shall provide training at its public access studio in the production of programming for the City, its public schools and residents. These training sessions shall be conducted upon the reasonable request of the City, its public schools and residents; provided however, that each training session shall take place at the public access studio and have a minimum of five participants. The Petitioner shall not be obligated to provide more than 20 hours of training per month.
14. Upon request of the City, the Petitioner shall cablecast six City specific community events per year for the benefit of the Petitioner's cable customers in the City. The Petitioner's total commitment for all six events shall be a minimum of 12 hours in each calendar year. The events shall be produced by the Petitioner and aired on its cable television system. The City shall have the right to choose which events the Petitioner covers; provided however, that on or before December 15 of each year it shall give the Petitioner a list of those events it would like covered for the following calendar year.

15. Within 60 days following the date of issuance of this Certificate, the Petitioner shall provide the City with a one time capital contribution in the amount of \$100,000.00 for the purpose of funding City personnel or a third party entity to produce and air City Council meetings on the governmental access channel. Upon making this payment, the Petitioner shall no longer be responsible for such productions and shall turn over these duties exclusively to the City's control. Upon satisfaction of this obligation, the Petitioner shall submit proof of compliance to the Office of Cable Television.
16. The Petitioner shall pay to the City \$340,000.00 in annual compensation for the duration of the franchise for the continued use of the City's real property at 76-80 North Barclay Street and to help fund the acquisition, construction, equipping and operation of a new public access/technology center for use by the residents at 75-81 Ellison Street or other designated location. This sum shall continue to be passed through to subscribers as a line item on subscriber's bills in the same manner as the Petitioner's current lease payments are reflected, or as otherwise permitted by law.
17. Upon written request of the City, the Petitioner shall provide free of charge the standard installation of and monthly basic cable service on one outlet, to all state or locally accredited public and private elementary and secondary schools, and all municipal libraries, as well as all municipal buildings located in the City that are used for municipal government purposes.
18. Upon written request of the City, the Petitioner shall provide one high speed cable modem and Internet access, including a standard installation, free of charge, to one municipal location chosen by the City. The City shall be permitted to network up to three additional personal computer terminals in the designated building to the cable modem provided by the Petitioner. At the City's request, the Petitioner shall pay the costs to network the four personal computer terminals to the cable modem provided by the Petitioner.
19. Upon request of the City, the Petitioner shall provide one high speed cable modem and Internet access, including a standard installation, free of charge, to each state accredited elementary and secondary private and public school and each municipal public library in the City. Each school or municipal library shall be permitted, at its own cost, to network the modem to up to 25 additional personal computer terminals in the designated building. Upon request of the City, the Petitioner shall provide each public elementary and secondary school and the municipal libraries with a basic router at no additional charge.

20. The Petitioner shall continue to host the City's traffic system on its broadband network. The City shall be responsible for the traffic system and its component parts, and shall ensure that its traffic system does not interfere with the Petitioner's broadband network, including but not limited to the quality of any signals carried thereon. The Petitioner shall provide the City with written notice of any interference problems caused by the traffic system, and the City shall take prompt action to rectify the problem. In the event that the City fails to cure any interference by the traffic system within 20 days of the City's receipt of written notification by the Petitioner, the Petitioner may take the remedies provided for it as specified in the ordinance, including discontinuance of the traffic monitoring system or repair, correction or replacement of the interfering portion. The Petitioner reserves the right to recoup the costs for repair, correction or replacement by deducting such sums from the franchise fee or other such payments due to the City.
21. The Petitioner shall implement a senior citizens discount program in the City in the amount of 10% off the monthly rate for basic service for senior citizens who meet the income and residency requirements of the Pharmaceutical Assistance to the Aged and Disabled ("PAAD") program, as allowed by N.J.S.A. 48:5A-11.2.
22. The Petitioner shall provide a performance bond in the amount of \$50,000.00 for the life of the franchise.

It is to be noted here that the City's municipal consent ordinance requires a performance bond in the amount of \$50,000.00. The Cable Television Act requires that, within its application for municipal consent, a cable television company must include evidence of a commitment for a performance bond in an amount of not less than \$25,000.00, pursuant to N.J.S.A. 48:5A-28d. Although the municipality must approve the amount, the sufficiency and reasonableness of the performance bond is subject to review by the Office of Cable Television and approval by the Board. The purpose of the performance bond is to ensure all undertakings as promised in the municipal consent application and the ordinance.

The Petitioner has accepted the ordinance in its entirety. The Office of Cable Television has reviewed the issue and recommended that the provision for a bond in the amount of \$50,000.00 be approved by the Board. Therefore, this Renewal Certificate of Approval confirms that the Petitioner shall provide a performance bond in the amount of \$50,000.00 for the life of the franchise.

Based upon these findings, the Board **HEREBY CONCLUDES**, pursuant to N.J.S.A. 48:5A-17(a) and 28(c), the Petitioner has the municipal consent necessary to support the petition, that such consent and issuance thereof are in conformity with the requirements of N.J.S.A. 48:5A-1 et seq., that the Petitioner has complied or is ready, willing and able to comply with all applicable rules and regulations imposed by or pursuant to State or federal law as preconditions for engaging in the proposed cable television operations, that the Petitioner has sufficient financial and technical capacity, meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment, and is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is **HEREBY ISSUED** this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the City.

This Renewal Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein. The Petitioner shall adhere to the standards set forth by the Federal Communications Commission's rules and regulations, 47 C.F.R. §76.1 et seq., including but not limited to, the technical standards of 47 C.F.R. §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated into this Certificate.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

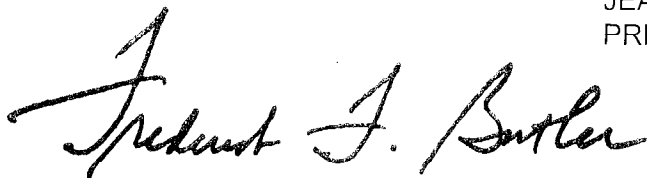
This Certificate shall expire 15 years from the date of its issuance.

DATED: 1/13/05

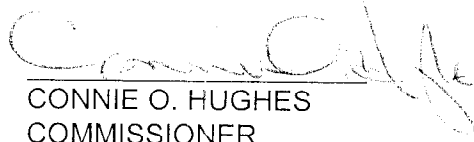
BOARD OF PUBLIC UTILITIES
BY:



JEANNE M. FOX
PRESIDENT



FREDERICK F. BUTLER
COMMISSIONER



CONNIE O. HUGHES
COMMISSIONER



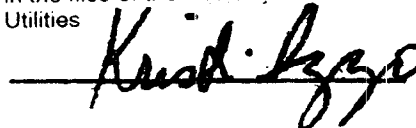
JACK ALTER
COMMISSIONER

ATTEST:



KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



APPENDIX "I"
CABLEVISION OF NEW JERSEY, INC.
CITY OF PATERSON

Commercial Line Extension Rate Policy

1. Intent. It is the intent of CABLEVISION that a rate policy be established under which any businesses within the company's franchise areas would have the opportunity to obtain cable television service.

2. Applicability. This line extension rate shall apply to all cable television service extensions, aerial and underground, on public and private lands, provided by CABLEVISION.

3. Definitions.

(a) Line or Service. That situation where the company must extend its existing trunk line and/or distribution cable in order to make a tap available from which a drop line can be run so as to provide cable television service to the applicant's premises. The line or service extension shall include, but not be limited to, all poles, cables, amplifiers, extenders, splitters, taps, right-of-way acquisitions and clearing, trenching, backfilling and any other one-time costs incurred by CABLEVISION in connection with extending service to the applicant. A line or service extension shall not include facilities provided by CABLEVISION pursuant to its applicable installation rates then existing.

(b) Applicant. Any person, firm, corporation or association that applies to CABLEVISION for service to a commercial establishment in the franchise area.

(c) Commercial Establishment. Any building or structure, or portion thereof, not used for residential purposes including, but not limited to, profit and non-profit corporations or associations, which has requested the installation of cable television service requiring line or service extension as defined herein.

(d) Drop Line. That cable which connects the subscriber's television receiver to the cable transmission system by way of a tap.

(e) Tap. A connecting device inserted in the cable transmission line which allows for the connection of a drop line. An aerial or underground "drop line" constitutes a transmission cable running from the distribution or feeder cable to the subscriber's connection or receiver.

(f) Trunk Line. Transmission cable running from headend to trunk amplifiers and through each trunk amplifier in cascade in the system from which connections for distribution and feeder cable are provided.

(g) Distribution or Feeder Cable. Transmission cable which extends from the distribution amplifiers serving specific areas within the system and from which drop lines are extended.

(h) Qualified Subscriber. Any applicant who, as a potential subscriber, has committed to purchase at least the basic service from CABLEVISION for a period of not less than two (2) years.

4. Schedule.

(a) Within thirty (30) days after the date on which the service is requested, but not more than ninety (90) days from the date upon which the request for service was made, CABLEVISION shall furnish the applicant with (1) an estimate request form, (2) a copy of this line extension policy, and (3) notification that service can only be provided by means of a line or service extension.

(b) If the applicant requests a written estimate within thirty (30) days after being advised that service can only be provided by means of a line or service extension, CABLEVISION shall, within sixty (60) days of such request, furnish a written estimate, a construction schedule, and a service extension contract to be signed by the applicant.

(c) The applicant must return a signed service extension agreement within thirty (30) days after receipt of the material described in Paragraph (b) together with a check in the amount of \$50.00 representing a service extension deposit which will be credited against the applicant's contribution in aid of construction invoice to the applicant which must be signed and returned to CABLEVISION with the full payment before construction will commence.

(d) If the applicant fails to meet any of the applicable deadlines or any of the terms herein before set forth without the approval of CABLEVISION, any obligations pertaining to the proposed line or service extension shall cease and be of no further force or effect.

5. Commercial Line Extension Rate Charges.

A commercial establishment requesting line or service extension shall bear all of the following costs to make a tap available from which a drop line may be installed:

(a) The actual cost to CABLEVISION of materials and equipment necessary to make service available plus shipping charges and applicable taxes.

(b) The actual labor costs incurred by CABLEVISION, exclusive of benefits.

(c) The actual costs of designs, surveys, prints and engineering or other such labor involved in the preparation or actual construction required.

(d) The direct costs of any easements, make-ready or other third party actions required to perform and complete construction such as, but not limited to, power companies, telephone companies, road work, trenching or the like.

(e) In addition, the applicant shall pay to CABLEVISION a sum equal to twenty percent (20%) of the entire actual cost of construction as set forth above.

(f) In the event additional commercial subscribers come on-line in an area in which service extension has been provided in accordance herewith, each additional subscriber shall, in addition to the applicable installation rate, be required to contribute their pro-rata share of the original construction costs. Said pro-rata share shall be derived by dividing the original

construction cost by the number of then existing on-line subscribers including the additional subscriber(s).

(g) Any funds collected from additional subscribers will be retained by CABLEVISION in an interest-bearing account and distributed equitably so as to equalize all subscriber construction contributions. Distribution will be made two years after the original service extension was provided. After said two year period, there shall be no further apportionment of the original construction cost.

6. Record Keeping and Annual Reports. CABLEVISION shall maintain appropriate records of its costs, subscriber and applicant billings, and revenues resulting from a request for or the construction of a service extension.

7. Ownership of Facilities. CABLEVISION shall own and maintain the facilities for which a service extension is made and any applicant-subscriber shall not acquire any interest herein.

8. Method of Service Extension. CABLEVISION reserves the right to provide either an aerial or underground service extension.

9. Term of Service. The minimum term of at least basic subscriber service for an applicant requesting service extension, or his successors and assigns, shall be twenty-four (24) months after the service extension has been energized. Said term shall be guaranteed by the applicant in the service extension contract specified in Paragraph 4(c) hereof.

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